

Educational; aid to immigrants. A nonprofit organization formed to aid immigrants in overcoming social, cultural, and economic problems by providing personal counseling, referrals to helpful agencies, social and recreational activities, instructing in English, and distributing a newsletter containing information on attaining citizenship, securing housing, and obtaining medical care is operated exclusively for charitable and educational purposes and qualifies for exemption under section 501(c)(3) of the Code.

Advice has been requested whether the nonprofit organization described below, which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable and educational purposes.

The organization was formed to aid immigrants to the United States in overcoming social, cultural, and economic problems by either personal counseling or referral to the appropriate public or private agencies. The organization has found that immigrants may be subject to discrimination and prejudice, often arrive without friends or relatives, possess a limited knowledge of English, and lack an awareness of employment opportunities. To help overcome these handicaps, the organization offers instruction in English by its multilingual staff, job counseling, and social and recreational functions that permit a mingling of immigrants with each other and with United States citizens. The organization also distributes a newsletter containing information on becoming a citizen, securing decent housing, and obtaining medical care.

The organization relies upon grants and contributions from the general public for support. It does not charge for its services.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable and educational purposes.

Section 1.501(c)(3)-1(d)(3) of the Income Tax Regulations defines the term 'educational' as including the instruction of the public on subjects useful to the individual and beneficial to the community.

Section 1.501(c)(3)-1(d)(2) of the regulations provides that the term 'charitable,' as used in section 501(c)(3) of the Code, includes the elimination of prejudice and discrimination.

By counseling immigrants, the organization is instructing the public on subjects useful to the individual and beneficial to the community, and is, therefore, furthering an educational purpose. Personal counseling has been recognized as a valid method of instruction for educational organizations. See Rev. Rul. 73-569,

1973-2 C.B. 178. In addition, by offering instruction in English, by assisting immigrants in finding helpful agencies, by aiding immigrants to attain full citizenship, and by providing opportunities for immigrants to meet and discuss problems with each other and United States citizens, the organization is also eliminating prejudice and discrimination.

Accordingly, the organization is operated exclusively for charitable and educational purposes and thus qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See sections 1.501(a)-1 and 1.508-1(a) of the regulations.